

EXHIBIT 123

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A-C PRIVILEGED and CONFIDENTIAL – seeking legal advice

Remove AdX Last Look for DFP Remnant Competition

2019/04

Background

Currently, backfill auction demand is given the ability to look at the competing DFP remnant LI's price (including header bidding LIs) to determine bids and/or set the auction clearing price (a.k.a. "last look").

Under second price auction, the impact of this "last look" over DFP remnant is quite obvious in that auction will let bids above remnant LI eCPM win over the remnant LI, paying 1 cent above the remnant LI eCPM. Under first price auction, the last look effect will become less obvious in that we will no longer help set the auction transaction price to be at the remnant LI eCPM plus 1c, but as long as we keep sending the competing remnant price as reserve price in callout then bidders can potentially still bid "smartly" above the remnant eCPM as long as we share this information at bid request time.

Along with the transition to first price announcement, we also announced that all programmatic demand (including header bidding) will compete in a single unified auction and we will remove last look completely so that all demand compete on equal footing. To achieve so, we plan to stop exposing info about the competing remnant eCPM to buyers pre-auction.

Proposal Summary

Stop allowing competing remnant eCPM to inform the floor prices to buyers pre-auction while keep applying it as floor during filtering so that bids below the remnant eCPM will continue to be rejected. This way DFP remnant and backfill auction demand will be effectively competing in a single unified auction.

Detailed Design

Overview of the current and new third party cpm threshold being applied before and during auction:

(We aim to maintain the status quo regarding EDA ranking in DFP and filtering behavior in AdX.)

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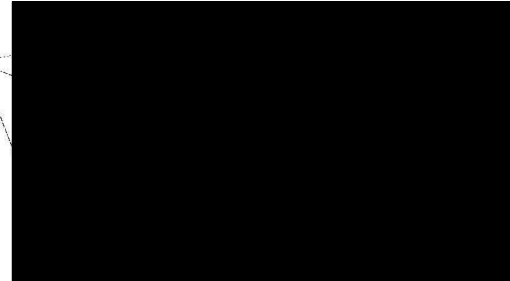
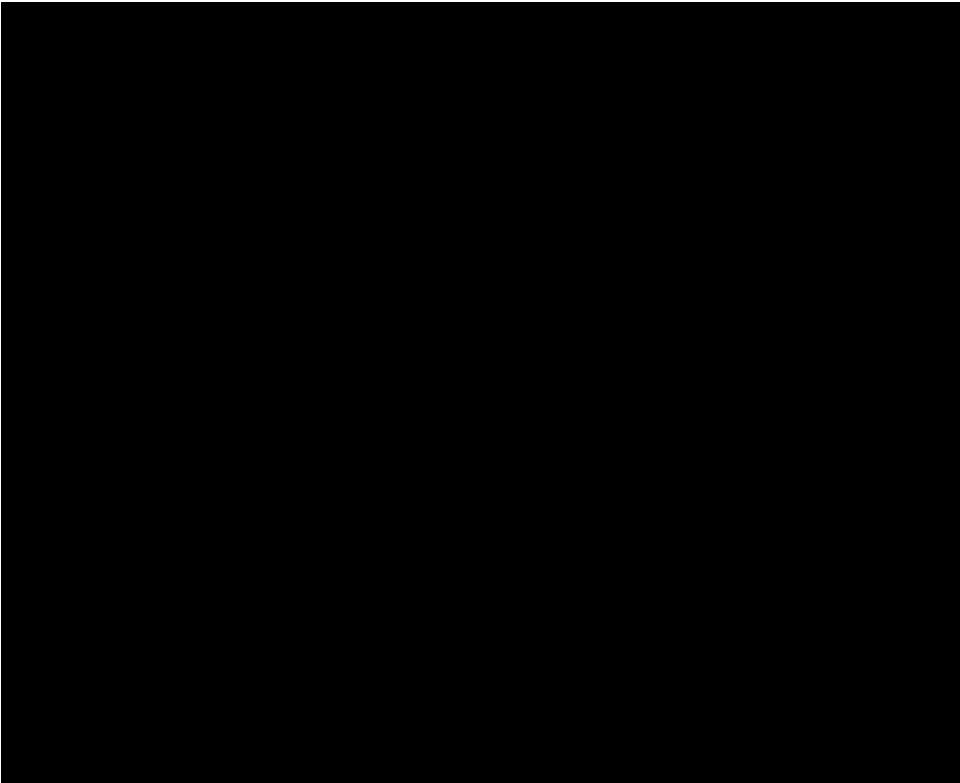
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Commented [15]: could you say more?

[REDACTED]

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Launch Plan

This change (removing competing remnant price from bid callouts) can be launched prior to first price migration experiments, or if things slip this will be launched during first price experiments but before first price 100% launch in July. The “last look” effect will be completely gone after both this change and first price auction is launched.

